Innovation, a necessity for organizations to get competitive advantage and business perennity

DOI: 10.46932/sfjdv5n1-005

Received in: December 01st, 2023
Accepted in: January 04th, 2024

Lelles de Paula Lemos
Master's student in Business Administration
Institution: Must University
Address: 1960 NE 5th Avenue, Boca Raton, Florida 33431, US
E-mail: lelleslemosprofissional@gmail.com

ABSTRACT
Innovation is extremely important for organizations to prosper in the current market, but achieving success using innovation may not be such a simple task, as each organization needs a different form of innovation given its specificity and the objective it intends to achieve. One way to identify the best way to innovate for an organization is through the Value Proposition Canvas, because through it it will be possible to draw the profile of customers, understanding their pain points, in order to satisfy their needs. Thus, organizations can innovate through the aspects of products and services, value proposition, processes, marketing, organizational, among others. However, this is just the beginning of the innovative process, as innovation must be understood and incorporated by everyone in the organization, a very important factor for its operation. In this way, it is necessary to install the innovation mentality within the organization, stimulating creativity, allowing failures to obtain improvements, and promoting a collaborative environment. Using flexibility, training knowledge, and recognizing the accomplishments of employees will be essential to create a culture of innovation, thus providing competitive advantage and business continuity. This paper aims to highlight the need for innovation in organizations, identifying in which areas innovation can occur to obtain competitive advantage and business continuity, how to install an innovation mindset within organizations, noting which resources and practices are used to create this culture of innovation, and understanding its concepts and importance.

Keywords: innovation, organization, competitive advantage, customers.

1 INTRODUCTION
Organizations currently live in a very competitive market full of challenges that must be faced daily for the company to continue thriving, whether they are the life cycle of products that are getting smaller and smaller, processes that are no longer efficient or even competitors with lower prices, or better products, or with a new product that replaces what the organization sells.

Given this, organizations must look for a way to update themselves in the market to deliver what customers need so that it is possible to remain in the market and be competitive, thus achieving continuous success in the business.

In this aspect, the need to innovate arises, as innovation can be a big step for an organization to overcome competitors and be able to serve customers in the best possible way, as innovation can improve
a product, a process or even reach a market that is still in existence, not met through an innovative product or service.

However, achieving success using innovation may not be such a simple task, as a lot of effort is needed on the part of the organization and all the professionals involved so that everything can happen correctly, so the company must adjust to understand where it should innovate, identify customer needs, create a mentality of innovation in the organization, among many other aspects, which can be a time-consuming, complex, exhaustive task and, if not carried out correctly, may not bring the expected results.

But, on the other hand, when an organization uses innovation and carries out all the processes to achieve it in a succinct way, it will be able to obtain a competitive advantage over competitors, gaining more customers and consequently greater profits and if it continues to innovate throughout its life, it will be able to obtain business continuity.

This activity used bibliographical review as a research methodology and aims to highlight the need for innovation in organizations, identifying in which aspects innovation can occur to obtain competitive advantage and business continuity, how to install an innovation mentality within organizations, noting which resources and practices are used to create this culture of innovation, understanding its concepts and importance for organizations.

2 METHODOLOGY

This article seeks to understand how innovation can be transformative for organizations so that they can obtain competitive advantage and business continuity, and for this purpose exploratory research will be used as a methodology through bibliographic review so that it is possible to understand the best ways to innovate in companies, understand how to install an innovation mindset and its benefits for the organizational environment.

Next, we will seek to understand the resources and practices used to create a culture of innovation within companies, highlighting how this culture of innovation can be developed, its benefits for employees, as well as for the organization in general, so that it is possible to understand how important innovation can be for a company that wants to succeed in the business world.

3 GETTING COMPETITIVE ADVANTAGE THROUGH THE INNOVATION STRANDS

Obtaining a competitive advantage can be the difference between remaining in the market or not, which is why organizations are always seeking to have a competitive advantage over their competitors. Thus, Barney & Hesterly (2017) complement by emphasizing that an organization commonly has a competitive advantage when it generates a higher economic value than its competitors.
Therefore, each organization needs a different form of innovation given its specificity and the objective it intends to achieve, to identify its need for innovation and put it into practice. Thus, Samartin (2021) emphasizes that one way to identify the best way to innovate for an organization is through the value proposition Canvas, as this tool can help describe a value proposition suited to customer needs and their tasks to be performed, carried out, helping to solve their problems.

Still according to Samartin (2021), when using the value proposition through the value proposition Canvas, it will be possible to draw the profile of customers, understanding what they are trying to accomplish, understanding their pain points, and thus discovering which benefits are desired by customers. This can help the company visualize ways to define an innovative business model that brings good results.

In addition to the value proposition, innovation can occur in several other aspects where it can develop a competitive advantage over the competition present in the market, thus being able to innovate internally or externally to achieve this objective. Carvalho, Reis, & Cavalcante (2011) complement by showing that there are some aspects of innovation that can be adopted by organizations, among them we have: Product and service innovation, process innovation, marketing innovation and organizational innovation.

In product innovation, a company develops and launches an innovative product on the market, which can be a completely innovative product or a product that brings innovative updates to consumers that in some way stands out from what already exists on the market. OECD (2006) defines product innovation as being a new good or service or one that has improvements in its characteristics that differentiate it from previous versions already produced. Carvalho, Reis, & Cavalcante (2011) add that the organization's focus when creating innovative products is to increase sales and can also innovate by seeking to reduce costs to generate greater profitability.

Service innovation basically has the same characteristics as product innovation, with the only difference being that it is aimed at creating new services or improving existing services.

Process innovation seeks to change the way an organization uses its processes, so that it can focus on what really matters and achieve its objectives. According to OECD (2006), process innovation is the implementation of a new or improved distribution or production method, with changes in equipment, software or even the techniques used with a view to reduce costs and improving quality in processes.

For marketing innovation, the company will need to obtain characteristics so that it can positively increase its visibility in the market through the means of communication where its customers and potential customers are, through new strategies, use of digital mechanisms and new approaches.

To complement this thought Carvalho, Reis, & Cavalcante (2011) they say that when an organization decides to implement marketing innovation it seeks to obtain greater sales volumes, acquire
a greater market share as well as disseminate changes in the company's positioning or even improving your brand and reputation.

Organizational innovation focuses on improving the company's organizational processes through the stimulation of professionals who work in the company, with the aim of making them acquire creative solutions to possible problems, involving employees in improving the organization's internal processes. Carvalho, Reis, & Cavalcante (2011) complement by stating that this innovation seeks to implement new methods to spread knowledge within the organization, reducing absences, creating operational methods and practices, leading employees to have greater participation in the company's decisions.

In this way, we can see that a company can establish a competitive advantage over its competitors through the aspects of innovation highlighted, be it innovation in the value proposition, innovation of products and services, processes, marketing or organizational, as with them it will be possible for the company is innovative as a whole if it wishes, or only in a specific aspect, it all depends on how it will act towards the market and towards its customers so that it can identify an open window for innovation and thus be able to continue innovating as it identifies this necessity, because by continually innovating through these and other aspects, the organization will be able to continue to remain competitive in the market in relation to the competition.

4 INSTALLING AN INNOVATION MINDSET IN THE ORGANIZATION

Innovating the aspects present in the organization requires a lot of work on the part of the company, but it is only one of the steps that must be taken to achieve innovation, as all employees must incorporate this mentality, which can make the process more challenging. Lindegaard (2010) adds that innovation must be understood and incorporated by everyone in the organization, as it is one of the important factors for its functioning.

Therefore, installing and establishing an innovation mindset in the organizational environment can be a challenge, as it may require some changes to be made in the company's culture, focusing on the development of innovation on a continuous basis, engaging all employees so that everything works correctly.

Therefore, one of the strategies to install an innovation mindset is to stimulate the creativity of the organization's employees, encouraging them to think outside the box to allow new ideas to be created with a view to innovation.

Machado (2014) complements the importance of stimulating creativity for innovation by saying that organizations must stimulate the creativity of their employees to provide the generation of ideas, their sharing and dissemination so that it is possible to achieve organizational innovation.
Allowing failures can be interesting for the organization that is looking for innovation, because as the innovation process can involve several risks and uncertainties, the company can use these failures as a form of learning and encouragement for employees to continue developing their creativity.

Lindegaard (2010) states that people who really understand innovation understand that failure is a part of innovation, often showing that vast lessons that lead to success come from major failures. Therefore, if an organization does not leave room for failure, it is going against the culture of innovation.

Promoting an environment of collaboration between the organization's departments and with other companies can be interesting for the organization to install the innovation mentality in its organizational environment, because when there is a collaborative environment between the company's departments and outside it, it can have greater ease of exchanging information, integration and creating shared solutions aimed at solving a problem.

Davila, Epstein & Shelton (2007, p. 35) complement by emphasizing that:

> By its very nature, innovation requires resources, skills and experience that reside in different parts of the organization – and in external organizations. It also requires coordinated and synchronized efforts across departments to take an idea from the world of abstraction to a tangible product. Establishing solid internal and external collaboration is an indispensable element for innovation.

Samartin (2021c) emphasizes that encouraging collaboration internally and externally is an essential element for creating innovative business models, as by having collaboration between different areas and people who are not part of the process, great ideas can be generated.

Encouraging leaders to lead in an innovative way can also help to establish an innovation mindset, as leaders will set an example and can be visionaries to inspire their team in search of innovative solutions, according to Tidd & Bessant (2015) leaders are able to provide innovative behavior for employees with low self-esteem and low self-presentation in the organizational environment.

Paying attention to investments in technologies can also help an organization create innovative models by obtaining new opportunities to innovate. Samartin (2021b) supports this thought by stating that many business models have been transformed due to internet technology since the 2000s.

Therefore, with the constant evolution of technologies and the internet, making investments in technology can become increasingly essential to establish an innovation mindset in the organization as well as the innovation process.

Therefore, to install a mentality of innovation within an organization it is necessary to stimulate the creativity of employees, allow for failures, create an environment of collaboration, encourage leaders, and make investments in technology so that the company can establish this mentality among all employees. employees in a way that benefits the development of new solutions. As some strategies can be a little disruptive for some organizations, the change in organizational culture to implement these
strategies may not be well accepted, which can make their implementation process difficult, so it is necessary to use resources and practices to be able to successfully create this culture of innovation within a company.

5 RESOURCES AND PRACTICES USED TO CREATE A CULTURE OF INNOVATION

After identifying ways to install an innovation mentality within an organization, it is necessary to identify which resources and practices can be used to create this culture within the organization, as per Bruno-Faria & Fonseca (2014) when we relate culture organizational with innovation we create an environment with spaces for people to develop their creativity with a communication system aimed at sharing information, ideas, experiences and values with the main focus on innovation.

In this way, we can use knowledge training as a resource to create this culture of innovation, whether for employees or the company as a whole, as not everyone can be prepared to work in an innovative environment, so companies that focus on this aspect by constantly stimulating learning and development, they can have a greater chance of achieving success in implementing an innovative culture by having accumulated knowledge.

OECD (2006, p. 160) emphasizes that:

A company's capabilities are what best allow it to take advantage of market opportunities. The most significant capacity for innovation is the knowledge accumulated by the company, which is mainly incorporated in human resources, but also in procedures, routines, and other characteristics of the company.

A practice that can also help create an innovative culture is flexibility, as by offering a flexible environment employees can feel more motivated and the more motivated they are, the better their creativity and productivity will be. Tushman & O’Reilly (2006) complement this by saying that a company that is flexible to both transformations and market demands creates a more favorable organizational environment for new differentiated products to emerge.

Castro (2021) adds that it is also important for organizations to make their decisions flexible to provide a greater level of sensitivity to identify the customer's problem, in order to obtain their experiences and experiences to offer products according to their demand and needs.

Therefore, when an organization becomes flexible it creates a different environment for its employees who feel more comfortable working and this flexibility is also perceived by customers and the market when the company understands the consumer and delivers what they need.

Another essential practice for an innovative organizational climate and culture is for the organization to know how to recognize the achievements of employees by offering rewards to those who have ideas that are innovative or that also contribute to the organization solving its problems. Because,
according to Vergara (2000), when people are recognized, they release their full potential, even the potential they didn't know they had.

Using these resources and practices, organizations will be able to create a culture of innovation in their organizational environment. Of course, all the steps that must be carried out can be laborious and can demand a lot from the organization and employees, but this is necessary so that create innovation and establish it in the organization's culture so that it can remain in the market, achieving success through competitive advantage to overcome its competitors, acquiring, and maintaining the longevity of the business.

6 DISCUSSION

Through all the content covered in this article, it was possible to identify that innovation is a transformative aspect for organizations and of extreme importance for their continuous development, so the aspects covered in the text elucidate the benefits of innovation throughout the organization, addressing essential concepts to the present.

The research carried out only addresses the positive aspects of innovation and leaves aside some aspects that may be limiting or impeding for organizations to use innovation, such as the high costs of its implementation, for example, which is a limitation of the research carried out.

However, as positive aspects, different ways of implementing innovation were addressed, the understanding of what innovation is by managers and employees, the encouragement of creativity, understanding that errors are part of creativity and innovation, as well as understanding the importance of implementing a culture of innovation within companies. Thus, despite not addressing the limiting aspects of innovation, the article provides a cohesive and comprehensive content in the area covered and the proposed topic.

7 CONCLUSION

Innovation in organizations over time has become increasingly important for their development, this need is necessary for companies to remain active in the market, acquiring a competitive advantage to overcome the competition and be able to evolve according to customer needs, so organizations must use the aspects of innovation as necessary so that it can help in their innovative development so that they can install a mentality of innovation in their organizational culture, allowing constant innovation in products, people and processes so that they can continue developing its culture of innovation.

After surveying these relevant aspects for innovation within companies, it is possible to see that there are several practices and resources to be implemented by organizations so that they can create an innovation mindset, whether through encouraging creativity, collaboration, recognition, among others.
Therefore, the most important thing is to implement an innovation model within the organization that meets the needs of the organization itself as well as those of its customers, as innovation is not only in internal processes, but also in what you deliver and provide to solve a pain that the customer has, and that no other organization can solve. Thus, innovation proves to be extremely important for companies to acquire competitive advantage and business continuity.
REFERENCES


